

WC 07-83

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Shareholders of Telephone Service Company)
)
Transferors)
)
Hanson Communications, Inc.)
)
Transferee)
)
For Transfer of Control of Telephone Service)
Company and its Wholly-Owned Subsidiary TSC)
Communications, Inc., which hold Domestic)
Blanket Authorizations in the State of Ohio under)
Section 214 of the Communications Act)

File No.

RECEIPT

FCC/MELLON

APR 12 2007

TO: Chief, Wireline Competition Bureau

**APPLICATION FOR STREAMLINED TRANSFER OF CONTROL
OF DOMESTIC BLANKET SECTION 214 AUTHORIZATIONS**

Streamlined Commission authorization is hereby requested for transfer of control of the blanket domestic Section 214 authorizations of Telephone Service Company ("TSC," FRN: 0002-9247-51) and its subsidiary TSC Communications, Inc. ("TSCCI," FRN: 0003-7786-28) from the current stockholders of TSC ("Transferors") to Hanson Communications, Inc. ("Hanson" or "Transferee," FRN: 0015-5513-02).

TSC is an Ohio incumbent local exchange carrier ("ILEC") that serves two rural exchanges (approximately 9,500 access lines) in and around the city of Wapakoneta (2000 population: 9,474) and the villages of Cridersville (2000 population: 1,817) and Uniopolis (2000 population: 256) in Auglaize County in west central Ohio. TSCCI is an Ohio competitive local

In accordance with the requirements of Section 63.04(a) of the Commission's Rules, the applicants submit the following information:

(1) Name, address and telephone number of each applicant:

Transferors:

Shareholders of Telephone Service Company
2 Willipie Street
Wapakoneta, Ohio 45895
Telephone: (419) 739-2200
Facsimile: (419) 739-2299

Transferee:

Hanson Communications, Inc.
227 South Main Street (P.O. Box 800)
Clara city, Minnesota 56222
Telephone: (320) 847-2211
Facsimile: (320) 847-2736

(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized:

Telephone Service Company is a corporation organized under the laws of the State of Ohio.

TSC Communications, Inc. is a corporation organized under the laws of the State of Ohio.

Hanson Communications, Inc. is a corporation organized under the laws of the State of Minnesota.

TSC Acquisition Co. is a corporation organized under the laws of the State of Ohio.

(3) Name, title, post office address, and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:

For Transferors:

Lonnie Pedersen, President
Telephone Service Company
2 Willipie Street
Wapakoneta, Ohio 45895
Telephone: (419) 739-2200
Facsimile: (419) 739-2299

With a copy to Counsel:

Michelle W. Cohen
Thompson Hine LLP
1920N **Street, N.W.**
Washington, D.C. 20036
Telephone: (202) 263-4151
Facsimile: (202) 331-8330

For Transferee:

Bruce C. Hanson, Treasurer
Hanson Communications, Inc.
227 South Main Street (P.O. Box 800)
Clara City, Minnesota 56222
Telephone: (320) 847-2211
Facsimile: (320) 847-2736

With a copy to Counsel:

Gerard J. Duffy
Blooston, Mordkofsky, Dickens, Duffy & Prendergast
2120 L Street, N.W. (Suite 300)
Washington, D.C. 20037
Telephone: (202) 659-0830
Facsimile: (202) 828-5568

- (4) Name, address, citizenship and principal business **of any person or entity** that directly owns at least ten **(10)** percent **of** the equity **of** the applicant, and the percentage **of** equity **owned** by each **of** those entities (the nearest one percent):

Ownership of TSC Prior to Transaction:

Prior to the proposed transaction, the name, address, citizenship and principal business of the sole entity that directly or indirectly **owns** ten percent (10.0%) or more of the equity of TSC is:

<u>Name & Address</u>	<u>% Equity</u>	<u>Citizenshiu</u>	<u>Principal Business</u>
The Hauss-Helms Foundation, Inc. c/o Douglas S. Jauert, Esq. 10 West Auglaize Street Wapakoneta, OH 45895	34.8%	OH Non- Profit Corporation	Aid to Students

TSC's shares are traded over-the-counter, and the firm of Sweney Cartwright & Co. of Columbus, Ohio periodically makes a market **for** TSC shares. **At** this time, TSC has approximately 164 other shareholders, none of which directly or indirectly owns a 10 percent or greater interest in TSC. To the best of TSC's information and belief, these 164 other shareholders are United States citizens or entities, and ~~are~~ primarily located in Ohio.

Ownership of TSC After Transaction:

After completion of the proposed transaction, the name, address, citizenship and principal business **of** the sole entity that directly or indirectly will own ten percent (10.0%) or more of the equity of TSC is:

<u>Name & Address</u>	<u>% Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Hanson Communications, Inc. 227 South Main Street Clara City, MN 56222	100%	MN Corp.	Telecommunications

In turn, the names, addresses, citizenship and principal businesses of the entities that own ten percent (10.0%) of the equity of Hanson Communications, Inc. are:

<u>Name & Address</u>	<u>% Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Bruce C. Hanson 227 South Main Street Clara City, MN 56222	33.3%	U.S.A.	Telecommunications
Mark A. Hanson 722 West Highway #46 Wagner SD 57380	33.3%	U.S.A.	Telecommunications
Susan K. Anderson 227 South Main Street Clara City, MN 56222	33.3%	U.S.A.	Telecommunications

Bruce C. Hanson, Mark A. Hanson and Susan K. Anderson are brothers and sister.

No other individuals *or* entities will directly or indirectly own ten percent (10.0%) or more of the equity of TSC after completion of the proposed transaction.

Ownership of TSCCI Prior to and After Transaction:

Both before and after the proposed transaction, the name, address, citizenship and principal business of the sole entity that directly or indirectly will own ten percent (10.0%) or more of the equity of TSCCI is:

<u>Name & Address</u>	<u>% Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Telephone Service Company 2 Willipie Street Wapakoneta, OH 45895	100%	OM Corp.	Telecommunications

- (5) **Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

Telephone Service Company, TSC Communications, Inc. and Hanson Communications, Inc. hereby certify, pursuant to 47 C.F.R. Sections 1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

- (6) **Description of the transaction:**

The proposed transaction will be accomplished by the merger of TSC Acquisition Co. ("TSCAC"), a newly-formed Ohio corporation owned one hundred percent (100.0%) by Hanson, into TSC, with TSC continuing as the surviving corporation. The pre-merger shares and rights in TSC will be converted or cancelled, subject to various provisions for the payment of the merger consideration to consenting and dissenting shareholders. At the completion of the various merger procedures, all of the issued and outstanding common stock of TSC will be owned by Hanson.

- (7) **Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:**

A map showing the local exchange service area of TSC, and the competitive local exchange service areas of TSCCI, is attached. The TSC and TSCCI service areas are located in west central Ohio, and are more than six hundred (600) miles to the east of the Minnesota and South Dakota service areas of the ILECs presently owned by Hanson. There is no overlap between the TSC/TSCCI service areas and the service areas of the ILECs presently owned by Hanson.

Telephone Service Company

TSC provides local exchange and exchange access services to three rural exchanges (approximately 9,500 access lines) serving the area in and around the city of Wapakoneta (2000 population: 9,474) **and** the villages of Cridersville (2000 population: 1,817) and Uniopolis (2000 population: 256), Ohio. These communities are located in Auglaize County in west central Ohio. In addition to voice telephone service, TSC offers a variety of calling service such as caller ID, call waiting, speed calling, 3-way calling, repeat dialing, voicemail and call forwarding.

TSC also resells long distance toll services to customers within its local exchange service area.

TSC Communications, Inc.

TSCCI is a competitive local exchange service that provides local exchange telephone service and exchange access via a fiber-to-the-premises network in the city of St. Marys (2000 population: 8,342) in Auglaize County, Ohio, and business-oriented local exchange and exchange access services via a fiber ring in portions of the city of Lima (2000 population: 40,081) in Allen County, Ohio.

TSC-TV, a division of TSCCI, provides video program distribution services in and around Wapakoneta, Cridersville, Uniopolis, St. Marys and Lima.

Bright.net Ohio, LLC, a wholly-owned subsidiary of TSCCI, provides data and Internet access services in and around Wapakoneta, Cridersville, Uniopolis, St. Marys and Lima.

TSC and TSCCI have no other affiliates or subsidiaries that provide domestic telecommunications services.

Hanson Communications, Inc.

Hanson is a holding company that directly or indirectly owns one hundred percent (100.0%) of the capital stock of the following five (5) ILECs: (1) Clara City Telephone Company; (2) Sacred Heart Telephone Company; (3) Starbuck Telephone Company; (4) Fort Randall Telephone Company; and (5) The Zumbrota Telephone Company.

Hanson Subsidiaries

Clara City Telephone Company ("CCTC"), a wholly-owned subsidiary **of** Hanson, is a Minnesota ILEC which provides local exchange and exchange access service to two (2) rural exchanges (approximately 1,969 access lines) serving the communities of Clara City (2000 population: 1,393) and Maynard (2000 population: **388**) in Chippewa County in southwestern Minnesota. The CCTC service area **is** over 750 miles to the northwest of the TSC/TSCCI service areas.

Sacred Heart Telephone Company ("SHTC"), a wholly-owned subsidiary of CCTC, **is** a Minnesota ILEC which provides local exchange and exchange access service to one (1)

rural exchange (approximately 609 access lines) serving the community of Sacred Heart (2000 population: 549) in Renville County in south central Minnesota. The *SHTC* service area is over 750 miles to the northwest of the TSC/TSCCI service areas.

Starbuck Telephone Company (“STC”), a wholly-owned subsidiary of Hanson, is a Minnesota ILEC which provides local exchange and exchange access service to one (1) rural exchange (approximately 1,785 access lines) serving the community of Starbuck (2000 population: 1,314) in Pope County in west central Minnesota. The STC service area is over 780 miles to the northwest of the TSC/TSCCI service areas.

Fort Randall Telephone Company (“FRTC”), a wholly-owned subsidiary of Hanson, is a South Dakota ILEC which provides local exchange and exchange access service to eight (8) rural exchanges (approximately 7,857 access lines) serving the communities of Centerville (2000 population: 910), Keystone (2000 population: 311), Hermosa (2000 population: 315), Lake Andes (2000 population: 819), Tabor (2000 population: 417), Tyndall (2000 population: 1,239), Viborg (2000 population: 832) and Wagner (2000 population: 1,675) in Charles Mix, Clay, Custer, Bon Homme, Pennington and Turner Counties in southeastern and western South Dakota. The FRTC service area is over 850 miles to the northwest of the TSC/TSCCI service areas.

The Zumbrota Telephone Company (“ZTC”), a wholly-owned subsidiary of Hanson, is a Minnesota ILEC which provides local exchange and exchange access service to one (1) rural exchange (approximately 2,838 access lines) serving the community of Zumbrota (2000 population: 2,789) in Goodhue County in southeastern Minnesota. The ZTC service area is over 600 miles to the northwest of the TSC/TSCCI service areas.

Fort Randall Cable Systems, Inc. operates cable television systems in several southeastern South Dakota communities and in northcentral Nebraska.

Hanson has no other affiliates or subsidiaries that provide domestic telecommunications services.

- (8) Statement as to **how** the application **fits** into one **or** more **of** the presumptive streamlined categories in section **63.03** or **why** it is otherwise appropriate for streamlined treatment:

This application **fits** within the presumptive streamlined category in Section 63.03(b)(2)(iii) of the Commission’s Rules.

First, both before and after completion of the proposed transaction, Hanson and its affiliated companies will have a market share of far less than ten percent (10.0%) of the interstate, interexchange market.

Second, Hanson will be taking control of the existing telephone exchange and exchange access services provided by TSC and TSCCI, and the telecommunications carriers presently affiliated with Hanson (CCTC, SHTC, STC, FRTC and ZTC) do not provide competitive local exchange services within the Ohio service areas of TSC and TSCCI. Likewise, TSC and TSCCI do not provide competitive local exchange services within the

Minnesota **and** South Dakota service areas of the telecommunications carriers presently **affiliated** with **Hanson**.

Third and finally, TSC and the existing ILEC subsidiaries of Hanson (CCTC, SHTC, STC, FRTC and ZTC) are incumbent independent local exchange carriers that have, in combination, far fewer than two percent (2.0%) **of** the nation's subscriber lines installed in the aggregate nationwide and no overlapping service areas. TSC (approximately 9,500 access lines), CCTC (approximately 1,969 access lines), SHTC (approximately 609 access lines), STC (approximately 1,785 access lines) and FRTC (approximately 7,857 access lines) and ZTC (approximately 2,838 access lines), serve an aggregate of approximately 24,558 access lines. These comprise a very small fraction of the 3,601,735 end-user switched access lines that constituted two percent of the nation's estimated 180,086,735 end-user switched access lines as of June 30, 2004. Source: Industry Analysis and Technology Division, Trends in Teleuhone Service, April 2005, Table 8.I.

(9) Identification **of** all other Commission applications related to the same transaction:

In conjunction with the proposed transaction, an application has been filed (or will shortly be filed) with the Wireless Telecommunications Bureau for the transfer of control from the current shareholders of TSC to Hanson of the license held by TSC for Conventional Industrial/Business Pool Service Station KQZ258, Wapakoneta, Ohio.

In conjunction with the proposed transaction, an application has been filed (or will shortly be filed) with the Wireless Telecommunications Bureau for the transfer of control from the current shareholders of TSC to Hanson of the license held by TSCCI for Broadband Personal Communications Service Station KNLG229 serving the Lima, Ohio Basic Trading Area (BTA 255) **on** Channel Block F.

In conjunction with the proposed transaction, an application has been filed (or will shortly be filed) with the International Bureau for the transfer of control from the current shareholders of TSC to Hanson of the Section 214 Global Resale Authorization held by TSCCI (File No. ITC-214-19970903).

No additional Commission applications are planned or expected to be submitted in conjunction with the proposed transaction.

(10) Statement of whether the applicants are requesting special consideration because either party **to** the transaction is facing imminent business failure:

No party to the transaction is facing imminent business failure at this time. Therefore, the applicants **are** not requesting special consideration because a party to the transaction is facing imminent business failure.

(11) **Identification of any separately filed waiver requests being sought in Conjunction with the transaction:**

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

(12) **Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:**

The proposed transaction comprises the transfer of control of a small Ohio rural telephone company, which also has a subsidiary that provides competitive local exchange, video program distribution and Internet access services. The proposed new owners of TSC and TSCCI are experienced owners and managers of local exchange telephone companies in rural Minnesota and South Dakota. The Nanson companies have an excellent and unblemished record of providing quality telecommunications services to their rural customers and service areas at affordable rates. Commission approval of the proposed transaction will serve the public interest by ensuring that the residents of the Wapakoneta, Cridersville and Uniopolis areas will continue to have access to quality and affordable wireline telecommunications services. The transaction will have no adverse impact on competition in domestic telecommunications markets.

Conclusion

In light of the foregoing facts and public interest considerations, the Commission respectfully requested to authorize the ~~transfer of control~~ of the domestic blanket Section 214 authorizations of Telephone Service Company and its wholly owned subsidiary TSC Communications, Inc. from the current shareholders of TSC to **Hanson Communications, Inc.**

Telephone Service Company, TSC Communications, Inc. and Hanson Communications, Inc. reiterate that they certify, pursuant to 47 C.F.R. Sections 1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

TELEPHONE SERVICE COMPANY

By 

Printed Name LOUIE D. PEDERSEN

Title PRESIDENT

Date 4/09/07

HANSON COMMUNICATIONS, INC.

By _____

Printed Name _____

Title _____

Date _____

Conclusion

In lig. --- of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the domestic blanket Section 214 authorizations of Telephone Service Company and its wholly owned subsidiary TSC Communications, **Inc.** from the current shareholders of TSC to Hanson Communications, Inc.

Telephone Service Company, TSC Communications, Inc. and Hanson Communications, Inc. reiterate that they certify, pursuant to **47** C.F.R. Sections 1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

TELEPHONE SERVICE COMPANY

By _____

Printed Name _____

Title _____

Date _____

HANSON COMMUNICATIONS, INC.

By Mark Hanson

Printed Name Mark Hanson

Title Pres.

Date 4-9-07

Telephone Service Company



0 10 20 40 Miles

TSC Communications, Inc.



- Service Tentatively Available
- Operating: Business*
- Operating: Business & Residential
- Operating: Residential

Data derived from September, 2006 Company submission
Date not verified by the Commission

Public Utilities Commission of Ohio
<http://www.PUC.ohio.gov>

*Exchanges where the Company is actually
providing local exchange service to at least
one customer

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 1

(1) LOCKBOX # 358145		SPECIAL USE ONLY	
SECTION A - PAYER INFORMATION		FCC USE ONLY	
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Hanson Communications, Inc.		(3) TOTAL AMOUNT PAID (US Dollars and cents) \$965.00	
(4) STREET ADDRESS LINE NO 1 227 South Main Street			
(5) STREET ADDRESS LINE NO 2 P.O. Box 800			
(6) CITY Clara City		(7) STATE MN	(8) ZIP CODE 56222
(9) DAYTIME TELEPHONE NUMBER (include area code) (320) 847-2211		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 00015551302		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Hanson Communications, Inc.			
(14) STREET ADDRESS LINE NO 1 227 South Main street			
(15) STREET ADDRESS LINE NO 2 P.O. Box 800			
(16) CITY Clara City		(17) STATE MN	(18) ZIP CODE 56222
(19) DAYTIME TELEPHONE NUMBER (include area code) (320) 847-2211		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 00015551302		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$965.00	(27A) TOTAL FEE \$965.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE _____		DATE _____	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)